



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Michael L. Peeler

File: B-252355

Date: July 20, 1993

DIGEST

1. Employee's claim for reimbursement of \$1,000, as part of his relocation expenses, which he paid to terminate a 6-month exclusive right-to-sell listing agreement on his residence at his old duty station so that he could use his agency's relocation service contractor is not authorized by statute or regulation, and thus his claim may not be paid.

2. Employee's claim for reimbursement of \$850 for a mortgage broker's fee paid in connection with the purchase of the employee's residence at his new duty station is not authorized by statute or regulation, and thus his claim may not be paid.

DECISION

The Bureau of Land Management, Department of the Interior, has requested a decision as to whether it may pay Mr. Michael L. Peeler's claims of \$1,000 to terminate a 6-month exclusive right-to-sell listing agreement at his old duty station and of \$850 for a mortgage broker's fee at his new duty station.¹ For the following reasons, these claims may not be paid.

On March 11, 1992, after being notified of his impending transfer from the Bureau of Land Management (BLM), Washington, DC, to the BLM Service Center in Denver, Colorado, to be effective in May 1992, Mr. Peeler voluntarily entered into a 6-month exclusive right-to-sell listing agreement with a private Virginia real estate firm in regard to his residence in Fredericksburg, Virginia. On May 26, 1992, Mr. Peeler decided that he would like to market this residence simultaneously with the Associates Relocation Management Company (ARMC) which has a relocation

¹This request was submitted by Mr. David J. Holland, Chief, Division of Financial Management, Bureau of Land Management, Department of the Interior, Washington, DC.

service contract with the Department of the Interior and which guarantees home sales under the provisions of that contract. ARMC informed Mr. Peeler that it would require either termination of his exclusive listing agreement or modification of the listing to include an exclusion clause to allow Mr. Peeler to be able to sell his property to ARMC. However, the broker of the private Virginia real estate firm refused to terminate the exclusive listing agreement unless Mr. Peeler paid his firm \$1,000 as the consideration for terminating it and for compensating the firm for its efforts up to that point.

On June 17, 1992, Mr. Peeler paid the firm \$1,000, and he now seeks reimbursement of that amount as part of his relocation expenses due from the BLM. Additionally, Mr. Peeler seeks reimbursement for an \$850 mortgage broker's fee which he incurred when he purchased a residence in Lakewood, Colorado, near his new duty station.

Mr. Peeler also contends that when he purchased his new residence in Colorado, it was necessary to secure a non-conforming conventional loan for the property he wanted to purchase, and that, for all practical purposes, he had to pay an \$850 mortgage broker's fee to secure the type of loan he wanted at the best available rate and in a timely fashion. Finally, he contends that he was unaware that mortgage broker's fees paid in connection with the purchase of his residence near his new duty station are not reimbursable under current federal statutes and regulations concerning relocation of employees.

We consider Mr. Peeler's claim of \$1,000 for termination of the 6-month exclusive right-to-sell listing agreement which he had voluntarily entered into with a private Virginia real estate firm to involve a private contractual matter between the parties involved, and there is no federal statute or regulation of which we are aware that would permit Mr. Peeler to be reimbursed for this expense.

In regard to Mr. Peeler's second claim of \$850 for reimbursement of a mortgage broker's fee, there is likewise no federal statute or regulation of which we are aware that would permit Mr. Peeler to be reimbursed for this expense. Indeed, we note that 41 C.F.R. § 302-6.2a (1992) explicitly prohibits reimbursement for a real estate broker's fee or commission in connection with the purchase of a home at new official station. Thus, Mr. Peeler's claim of \$850 for a mortgage broker's fee may not be paid. Furthermore, while Mr. Peeler may not have been aware of statutory or regulatory limitations on his relocation entitlements, he, as are all other federal employees, is chargeable with at least constructive knowledge of such limitations. Norbert A. Shepanek, 58 Comp. Gen. 684, at 686 (1979).

Accordingly, Mr. Peeler's claims are denied.

4/1 *Seymour E. Hinchman*
James F. Hinchman
General Counsel